

Office of Sponsored Programs
Procedure 10010 Small Business and Small
Disadvantaged Business Subcontracting Plans
 Revision Date: 03/15/2016

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1. Introduction

Responsible Officials: Associate Director Operations
Effective Date: August 11, 2003
Revision Date: March 15, 2016

IMPORTANT: For federal awards/subawards issued to Virginia Tech with a start date prior to December 26, 2014, 2 CFR Part 215 (OMB Circular A-110) and 2 CFR, Part 220 (OMB Circular A-21) apply. For all new funds (new awards and new monies, such as continuation awards, supplements, etc. received for existing awards) with a start date on or after December 26, 2014, these new funds are subject to 2 CFR Part 200 (commonly referred to as Uniform Guidance—Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards) but hereinafter referred to as “2 CFR Part 200”).

Due to the change in federal regulations the language in this procedure specific to the new regulations, 2 CFR Part 200, is highlighted in red font below.

2. Scope

This procedure outlines the requirements necessary to create Small Business and Small Disadvantaged Business Subcontracting Plans. The procedure applies to all university staff members of the Office of Sponsored Programs (OSP), principal investigators, departments and other offices that are involved in the administration, use or planned implementation of sponsored award agreements or subawards issued, regardless of the primary source of funding.

3. Procedure Statement

OSP functions as the steward of Virginia Tech’s research portfolio and is responsible for ensuring that all research proposals and awards comply with university, federal, and sponsor regulations, policies, and procedures. The Small Business and Small Disadvantaged Business Subcontracting Plans (hereinafter referred to as subcontracting plan) will be prepared by the Associate Director of

Operations or designee when required by sponsors in support of proposals or awards. OSP will coordinate with the Procurement Office to identify small and disadvantaged business subcontracting and procurement opportunities that meet the requirements of sponsors.

4. Reason for the Procedure

The reason for this procedure is to outline OSP, Procurement, and departmental responsibilities for subcontracting plan preparation and to inform the community of the coordination and requirements associated with sponsored awards having subcontracting plan requirements.

5. Definitions

OSP Award File – The paper award file including any related sub-folder. The particular sub-folder used is dependent upon internal process manuals.

OSP Official Electronic File – The electronic file is a mechanism for storage of electronic documents regarding awards associated with Virginia Tech sponsored research. This repository may change its format as technology changes, but the duty of organization, maintenance, upkeep and implementation resides with OSP.

Small Business Subcontract – Various federal agencies often require sponsored awardees to maintain an acceptable subcontracting plan if they are a large institution of higher education (IHE)—including all subrecipients—and the estimated dollar value of the base contract and all option periods exceeds, or is expected to exceed ranges of \$500,000 to \$1,000,000 (this amount can vary up or down by individual federal agency).

The IHEs that meet the federal agency’s sponsored award criteria must establish a subcontracting plan with specific dollar and percent goals for subcontracting to small, HUBZone small, small disadvantaged, small women-owned, veteran-owned small, and service-disabled veteran-owned small business firms. This plan must be in place prior to contract award and is updated based upon the requirements stated in the award documents.

Follows is a list subset of regulations and FAR clauses that may be applicable:

- [Section 8\(d\) Small Business Act – 15 USC 637\(d\)](#) specifies that small businesses will have maximum practicable opportunity to participate in contract performance consistent with efficient performance,
- [Section 15\(g\) Small Business Act – 15 USC 644\(g\)](#) specifies government-wide goals for contracts and subcontracts, awarded to small business concerns.
- The following FAR clauses also apply: [FAR 19.7](#) / [DFARS 219.7](#), Small Business Subcontracting Program, [FAR 52.219-8](#), Utilization of Small Business Concerns, [FAR 52.219-9](#) / [DFARS 52.219-7003 SB](#) Subcontracting Plan (DEVIATION), [FAR 52.219-16](#), Liquidated Damages, [DFARS 252.219-7004, SB](#) Subcontracting Plan (Test). These clauses provide the following, that:
 - Small businesses will have maximum practicable opportunity to participate in contract performance consistent with efficient performance.
 - Outline the federal subcontracting plan requirements.
 - Require compliance in good faith with subcontract plan requirements.
 - Provide imposition of liquidated damages.

6. Pre Award and Contracts Teams Procedures

- a) The Pre Award Associate (PreAA) will identify those proposals or awards that require a subcontracting plan and notify the designated Operations Team associate to coordinate with the university's Procurement Office to develop a subcontracting plan that satisfies the sponsor's requirements.
 - b) Once completed the plan should be maintained in the OSP Official Electronic Files and noted in Summit (the electronic research administration system). If the proposal is awarded, the Contracts or Awards Associate will assure the completed subcontracting plan is adequately flagged to alert the Post Award Associate (PostAA) of the additional reporting requirements imposed by the Sponsor.
 - c) The Principal Investigator (PI) and appropriate departmental personnel will be informed of the existence of the subcontracting plan and informed of their responsibility to take the plan into consideration when procurement is made for the award.
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7. Post Award Procedures

- a) The PostAA will review the reporting requirements outlined in the completed subcontracting plan to assure that the financial reporting requirements are met in a timely manner. Documentation should be maintained in the OSP Award File for reports submitted in accordance with the subcontracting plan to the sponsor.
 - b) If a qualifying small or disadvantaged subrecipient or consultant is engaged on an award that has a subcontracting plan the PostAA should document this in the OSP Award File and include this information and associated amounts in any required reports to the sponsor.
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8. Compliance Team Duties

Establish review processes to monitor and assure compliance with subcontracting plans on a sample basis. Initiate corrective action where necessary for ongoing projects.

9. References

- [2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards \(Uniform Guidance\)](#)
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10. Contacts

- **Director of Operations**
Office of Sponsored Programs
North End Center, Suite 4200
300 Turner Street NW
Blacksburg, VA 24061
540.231.3193
- **Assistant Vice President for Sponsored Programs**
540.231.5281

11. Roles and Responsibilities

- **Procurement Office:**
 - Coordinate with OSP when potential small and disadvantaged contractors are identified.
 - Discuss any issues with requesting PreAA, PostAA and/or PI.
- **Operations:**
 - Prepare subcontracting plans for proposals.
 - Coordinate with the Procurement Office to stay current on potential small and disadvantaged subcontracting opportunities.
- **PreAA:**
 - Notify Operations when a new subcontracting plan is necessary.
 - Assure information transferred on subcontracting plans on award(s) is complete and includes all related electronic and non-electronic files.
- **PostAA:**
 - Notify Operations when a new subcontracting plan is necessary.
 - Prepare subcontracting reports as necessary and forward to sponsor as outlined in the subcontracting plan.
- **Compliance Team:**
 - Review information documented on subcontracting plans on award(s) periodically to monitor compliance.

12. Dissemination

This procedure may be posted on a Virginia Tech internet accessible site. Open public dissemination of this procedure is allowable.

13. Approval and Revisions

This procedure was approved originally on August 11, 2003 by the Director, Office of Sponsored Programs.

Revision approved March 15, 2016 by the Assistant Vice President for Sponsored Programs. This revision updates the formatting of the procedure and other minor edits for duties, title changes and clarity.

The official version of this information will only be maintained in an on-line web format.
Any and all printed copies of this material are dated as of the print date.
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